

JUDGE SULLIVAN

PREET BHARARA
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Southern District of New York
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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA,

Plaintiff,

- v. -

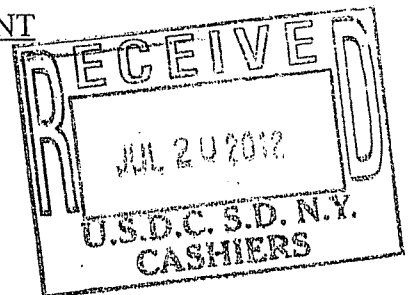
MONICA WILLENS,

Defendant.

12 CV 5601

COMPLAINT

12 Civ.



Plaintiff United States of America (the "United States"), by and through its attorney, Preet Bharara, United States Attorney for the Southern District of New York, alleges upon information and belief that:

1. Jurisdiction is conferred on this Court pursuant to 28 U.S.C. § 1345.
2. Defendant Monica Willens (the "defendant") resides at 450 N. End Ave, Apt. 8A, New York, New York, 10282, within the Southern District of New York.
3. Defendant applied for and received a student loan from the lender whose name is set out in the defendant's promissory note(s) evidencing the loan, copies of which are annexed hereto as Exhibit A and incorporated herein.
4. Defendant defaulted on said note(s) and owes the amount said note(s) and interest.

5. The United States is the assignee and present holder of said note(s).

6. The amount due and owing plaintiff by defendant on said note(s) is \$4,286.93, plus interest in the amount of \$2,595.06, as of July 19, 2012, with interest accruing thereafter at the rate of nine percent per annum. A Certificate of Indebtedness from the United States Department of Education is annexed hereto as Exhibit B and incorporated herein.

SECOND CAUSE OF ACTION

7. Plaintiff repeats and realleges the allegations contained in paragraphs numbered one through six.

8. Plaintiff insured the aforementioned note(s) pursuant to Title IV of the Higher Education Act of 1965, Public Law 89-329.

9. The lender made an insurance claim on the United States for the amount of the lender's loss arising from the defendant's default on said note(s), which claim has been paid by the United States to the lender.

10. Plaintiff is entitled to be indemnified by defendant in the amount of \$6,881.99 as of July 19, 2012, with interest accruing thereafter at the rate of nine percent per annum.

WHEREFORE, plaintiff demands judgment against defendant in the amount of \$6,858.80 plus interest as provided by law to the date of judgment and interest from the date of judgment at the legal rate until paid in full, together with costs and disbursements and for such other and further relief as this Court deems just and proper.

Dated: New York, New York

July 19, 2012

PREET BHARARA
United States Attorney for the
Southern District of New York
Attorney for the Plaintiff

By: 

KATHLEEN A. ZEBROWSKI
Assistant United States Attorney
86 Chambers Street
New York, New York 10007
Telephone No.: (212) 637-2710
Fax No.: (212) 637-2717

EXHIBIT A

8A.

Application/Promissory Note

ENTERED FEB 25 1988

Section I: Personal Information

1. LAST NAME <u>Grossbaum</u>	FIRST NAME <u>Morice</u>	MIDDLE INITIAL <u>S</u>	1A. PRIOR NAME (See instructions)	4. DAYTIME TELEPHONE <u>(212) 239-8849</u>
NUMBER AND STREET <u>434 E 89th St #3B</u>			2. SOCIAL SECURITY NUMBER <u>[REDACTED]</u>	EVENING TELEPHONE <u>(212) 239-8849</u>
CITY <u>NY</u>	STATE <u>NY</u>	ZIP <u>10028</u>	3. DATE OF BIRTH (MONTH/DAY/YEAR) <u>8/5/62</u>	
My Employer is:			Name and Address of a Relative Who Does Not Live With Me	
5. COMPANY NAME <u>Not Employed</u>			6. LAST NAME <u>[REDACTED]</u>	
NUMBER AND STREET <u>[REDACTED]</u>			FIRST NAME <u>[REDACTED]</u>	
CITY <u>[REDACTED]</u>			MIDDLE INITIAL <u>[REDACTED]</u>	
STATE <u>[REDACTED]</u>			7. LAST NAME <u>[REDACTED]</u>	
ZIP <u>[REDACTED]</u>			FIRST NAME <u>[REDACTED]</u>	
			MIDDLE INITIAL <u>[REDACTED]</u>	
			NUMBER AND STREET <u>[REDACTED]</u>	
			CITY <u>[REDACTED]</u>	
			STATE <u>[REDACTED]</u>	
			ZIP <u>[REDACTED]</u>	
			TELEPHONE <u>[REDACTED]</u>	

Section II: Student Loan Information (Please read instructions carefully.)

8. NAME AND ADDRESS OF CREDITOR	9. "X" IF APPROPRIATE (See below)	10. TYPE OF LOAN (GSL, etc.)	11. INTEREST RATE	12. DATE OF DISBURSEMENT MONTH/YEAR	13. ACCOUNT NUMBER	14. ESTIMATED CURRENT OUTSTANDING BALANCE
1. Student Loan Marketing Assoc	X	GSL	20%	12/80		\$2500
2. [REDACTED]	X	GSL		12/81		\$2500
3. [REDACTED]	X	GSL	20%	1/84		\$2500
4. [REDACTED]	X	GSL	20%	1/85		\$5000
5. [REDACTED]						
6. [REDACTED]						

Enter an "X" in this column if you have selected the loan for consolidation. A

(If you need to list additional loans, attach another sheet.)

If any of the loans indicated above are GSLs and if you are currently in your grace period on these loans, please complete the upper right hand corner of the application (Item 8), by writing the word "grace" and indicating the date your grace period will end.

To Sallie Mae: By means of this application, I am applying to have my loans consolidated into a SMART LOAN Account at Sallie Mae, as allowed under Section 428C of the Higher Education Act of 1965, as amended ("The Act"). If Sallie Mae accepts this application, it is my understanding Sallie Mae will advance funds on my behalf to creditors who currently hold eligible loans named above which I herein select for consolidation in my SMART LOAN Account. The funds so advanced by Sallie Mae will be disbursed to the holder(s) of the loans designated above in order to pay off those loans. I further understand that the amount of my SMART LOAN will equal the sum of the amounts which my creditors verify are the pay-off balances on the selected loans. This amount may be more or less than the estimated total balance I have indicated above. If the verified total balance on loans to be consolidated exceeds my estimate by \$500 or more, Sallie Mae will notify me before originating my loan. If the amount that Sallie Mae advances to my lender exceeds the amount needed to pay off my balance, I understand that the lender will refund the excess to Sallie Mae for application against the outstanding balance of my SMART LOAN account. Similarly, if I am consolidating ALAS (now called SLS, Supplemental Loans for Students) loans and my interest rate on my consolidation loan is higher than 9%, Sallie Mae will notify me prior to originating the SMART LOAN.

Section III: REPAYMENT OPTIONS/Combined Payment Plan

All Borrowers: Check One

15. ☐ I choose the MAX-2 OPTION with two years of interest-only payments. ☒ I choose the MAX-4 OPTION with four years of interest-only payments. ☐ I choose a LEVEL PAYMENT PLAN.

HEAL Borrowers:

16. ☒ Yes. I am applying for a Combined Payment Plan. Please include in this plan all of the HEAL loans listed above.

Section IV: General Information (Please read and sign in both places indicated.)

PROMISE TO PAY

(Sallie Mae) or Student Loan Marketing Association, Payment Processing Center, P.O. Box 5997,

APPLICANT CERTIFICATION

By my signature I certify that I am in repayment status or in a grace period preceding repayment, and not ninety days or more delinquent on any of the loans I have chosen for consolidation that are listed above. All of the loans selected for consolidation have been made to me to finance my education. I also certify that (1) I have no consolidation loan application pending with another lender and (2) if Sallie Mae does not hold any of my loans selected for consolidation in the section above or (if I have checked yes in the box above) any of my HEAL loans. I have sought and been unable to obtain a consolidation loan from the holder(s) of the loans for consolidation. I further certify that I do not owe a refund on any Pell Grant or Supplemental Educational Opportunity Grant, and that I am not in default on any GSL, Perkins/NDSL, ALAS/SLS, PLUS, or consolidation loan.

I certify that the above information is true and correct. I have read the material and understand my rights and responsibilities under the loan consolidation program.
This application/promissory note will be governed by Federal law applicable to consolidation loans.

CRIMINAL PENALTIES

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties, which may include fines or imprisonment under the United States Criminal Code and Section 490 of the Act.

18.

APPLICANT SIGNATURE

DATE

2/18/88

SLMA-3

PERMISSION TO VERIFY LOAN BALANCES

To Whom It May Concern: I hereby authorize you to release to Sallie Mae, for purposes of verifying student loan information in order that I may consolidate my student loans into a consolidation loan or enter into a combined payment plan pursuant to the Higher Education Act of 1965, as amended, any information concerning my student loans that Sallie Mae requests in connection with such loan consolidation or combined payment plan. This information is for the use of Sallie Mae in consolidating my student loans or reissuing my HEAL loans as part of a combined payment plan. A copy of this authorization may be deemed to be an original.

Your prompt reply and cooperation will help to expedite my loan consolidation. Thank you.

19.

APPLICANT SIGNATURE

DATE

2/18/88

SOC SEC NO

SALLIE MAE COPY

the accuracy and completeness of information reported about me.
this loan to a credit bureau organization and must provide a timely response to any request from that organization for a response to objections I might raise about
organization unless I enter into repayment on the loan within the 30 days. Upon my request, Sallie Mae must provide information on the repayment status of
obtain other credit. Sallie Mae or the guarantor must notify me at least 30 days in advance that information about the default will be disclosed to credit bureau
default on this loan, Sallie Mae or the guarantor will also report the default to credit bureau organizations. This may significantly and adversely affect my ability to
Credit Bureau Notification. Information concerning a default on a loan and its repayment will be reported to one or more credit bureau organizations. I
Forbearance. If I am unable to make my scheduled payments for reasons of financial hardship, I may request forbearance as provided for by guarantor policies.
Forces. Those circumstances are part of a recruiting program and do not pertain to prior service individuals or those not eligible for enlistment in the Armed
recruiter. Under certain circumstances, military personnel may be exempt from the provisions of the Act (10 U.S.C. 2191, note). I understand that questions concerning such circumstances should be addressed to my local service
Defense Authorization Act 1981 (10 U.S.C. 2191, note). I understand that questions concerning such circumstances should be addressed to my local service
Under certain circumstances, military personnel may be exempt from the provisions of the Act (10 U.S.C. 2191, note). I understand that questions concerning such circumstances should be addressed to my local service
Prepayments. I may, at my option and without penalty, prepay all or part of the principal or accrued interest of this loan at any time.
stand that, by consolidating the selected loans, I agree to pay the consolidated loan as soon as the conditions for which the deferment was granted no longer exist. I under-
written evidence of my eligibility. I must subsequently provide evidence of my eligibility for such loan consolidation.
Any period of authorized deferment shall not be counted against the period for which the deferment was granted. I must provide Sallie Mae with
3. For not in excess of 24 months, at my request, during which I am unable to make payments on the loan, I may request a deferment of the loan.
affidavit of a qualified physician.
B. I am unable to secure employment by reason of the care required by a spouse or dependent who is temporarily totally disabled, as established by sworn
A. I am temporarily totally disabled, as established by sworn affidavit of a qualified physician; or
2. For a period not in excess of three years during which
D. An approved course of study in a rehabilitation training program for disabled individuals approved by the U.S. Secretary of Education.
C. A course of study in a graduate fellowship program approved by the U.S. Secretary of Education; or
that enrollment period;
B. At least a half-time course of study as determined by an eligible institution, provided that I have received a loan under the GSL or ALAS/SLS program for
A. A full-time course of study as determined by an eligible institution;
1. While I am pursuing
Deferment. To the extent authorized by federal statute, payments of principal will be deferred, but interest will accrue, in the following circumstances:
Mac has granted a deferment or forbearance will not be included in determining the 10- to 25-year period.
My repayment period will be between 10 and 25 years in length, depending on the amount of my student loan indebtedness, and any period for which Sallie
eligible or do not qualify as "other student loans" for purposes of determining the repayment period.
forgo the remainder of any grace periods on such loans. Sallie Mae may adjust my repayment schedule if it determines that any of the loans listed herein are not
this application/promissory note. The minimum installment payment is equal to not less than the accrued unpaid interest. By consolidating the selected loans, I
repayment schedule to be furnished to me will establish repayment terms, including the length of the repayment period, based on information I have furnished on
Grace Period and Repayment of Principal. My first payment will be due within sixty days of the date of disbursement of my SMART LOAN account. The
period.
balance of this loan no more frequently than annually and, in the case of deferment or forbearance, at the beginning of the recommended period of the repayment
3. Sallie Mae may add interest that is not paid when due and interest that accrues during authorized deferment and forbearance periods to the unpaid principal
periods on my behalf.
2. I will pay all interest that accrues on this loan commencing on the date of disbursement. The government will not pay interest that accrues during deferment
loans consolidated, rounded to the nearest whole percent.
interest rate on SMART LOAN Accounts that include ALAS/SLS loans will be the greater of (a) nine percent per annum or (b) the weighted average of all the
immediately consolidated with the SMART LOAN Account. I will not receive any separate documentation evidencing refinanced ALAS/SLS loans. The
be refinanced at the rate specified in Section 4.27A(c)(4) of the Act, if that rate is lower than my current fixed rate on such ALAS/SLS loans, and then be
the interest rate on the SMART LOAN Account will be a time-varying rate. If any of my fixed rate ALAS/SLS loans are to be consolidated, they will first
1. This loan will bear interest at an annual rate which is fixed for the term of the loan. If all the loans I am consolidating bear interest at a rate of nine percent or less,
interest
undertake a new obligation, which is not subject to any defenses I might have with respect to the loans selected for consolidation.
Evidence of Loan. This application/promissory note is evidence of a consolidation loan made pursuant to Section 428C of the Act, (defined above).
Security and Endorsement; Defenses. This loan is made with no recourse and without endorsement, except that if I am a minor and this application/promissory
note would not, under applicable law, create a binding legal obligation, endorsement may be required. I understand that, by accepting a consolidation loan, I
manage of funds. I agree to notify Sallie Mae of any change of address.

EXHIBIT B

U. S. DEPARTMENT OF EDUCATION
SAN FRANCISCO, CALIFORNIA

CERTIFICATE OF INDEBTEDNESS #1 OF 1

Monica S. Willens
AKA: Monica Grossbaum
450 N. End Ave.
New York, NY 10282
Account No:XXXXXX9788

I certify that U.S. Department of Education records show that the borrower named above is indebted to the United States in the amount stated below plus additional interest from 08/15/11.

On or about 02/18/88, the borrower executed a promissory note to secure a Federal Family Education Loan Program Consolidation loan from SallieMae, Merrifield, VA. This loan was disbursed for \$12,682.07 on 03/22/88, at 9.00 percent interest per annum. The loan obligation was guaranteed by New York State Higher Education Service Corporation, and then reinsured by the Department of Education under loan guaranty programs authorized under Title IV-B of the Higher Education Act of 1965, as amended, 20 U.S.C. 1071 et seq. (34 C.F.R. Part 682). The holder demanded payment according to the terms of the note, and credited \$1,237.89 to the outstanding principal owed on the loan. The borrower defaulted on the obligation on 08/25/95, and the holder filed a claim on the loan guarantee.

Due to this default, the guaranty agency paid a claim in the amount of \$11,727.69 to the holder. The guarantor was then reimbursed for that claim payment by the Department under its reinsurance agreement. Pursuant to 34 C.F.R. § 682.410(b)(4), once the guarantor pays on a default claim, the entire amount paid becomes due to the guarantor as principal. The guarantor attempted to collect this debt from the borrower. The guarantor was unable to collect the full amount due, and on 09/10/07, assigned its right and title to the loan to the Department.

Since assignment of the loan, the Department has credited a total of \$0.00 in payments from all sources, including Treasury Department offsets, if any, to the balance. After application of these payments, the borrower now owes the United States the following:

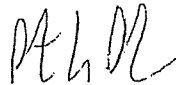
Principal:	\$4,286.93
Interest:	\$2,237.30

Total debt as of 08/15/11:	\$6,524.23
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Interest accrues on the principal shown here at the rate of \$1.06 per day.

Pursuant to 28 U.S.C. § 1746(2), I certify under penalty of perjury that the foregoing is true and correct.

Executed on: 10/2/11



Loan Analyst
Litigation Support

Peter La Roche
Loan Analyst